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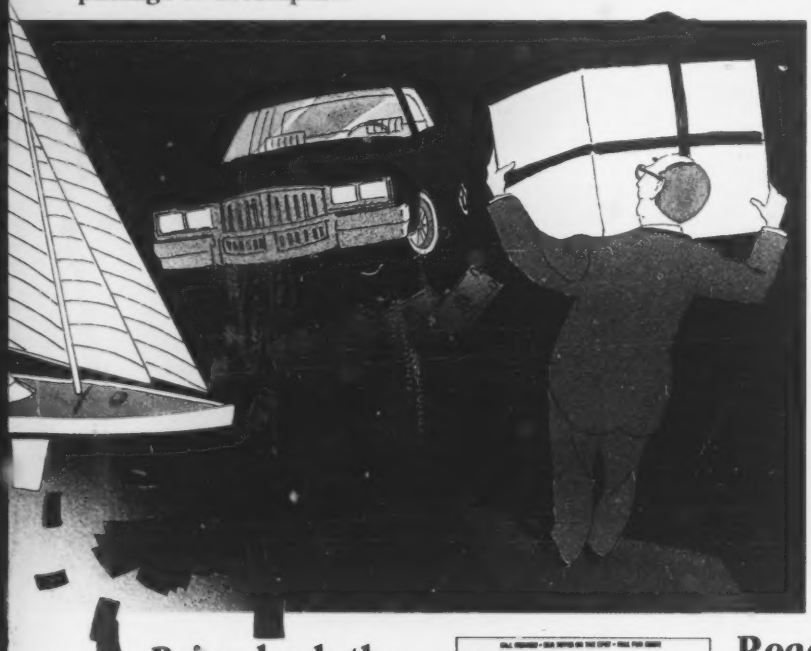
Executive compensation: Just rewards 124

It's not so much what is "fair" or what someone is worth that determines executive compensation, but what you want a pay package to accomplish.



MERRY GAVIN

WENDY BARROWS

Connecting the dots

Identifying and exploiting profit opportunities among magazines that, for years, have been run as totally separate businesses are the immediate jobs ahead for Bill Communications' new president, John Wickersham. 69

Target marketing: Who's doing what

Suddenly, it seems, target marketing has acquired a critical number of publishers and advertisers who are interested, alert and—more important—involved. 140

Bring back the typesetter

In far too many cases, the desktop revolution has meant that typesetting responsibilities have been thrust on editors, with little or no concern for workload, skill or knowledge. That doesn't make sense. Editors are thinkers, not mechanics. 159

Reach for 'em 81

Can two city books cover the territory better than one state book? The answer may lie in a coming shoot-out, as *D Magazine* and *Houston Metropolitan* gang up to take on state-wide top-gun *Texas Monthly*.

November 1, 1990

WENDY BARROWS

What's ahead for Hachette? 41

Following the departure of Peter Diamandis from Diamandis Communications, the company's name isn't the only thing that's changing.

International circulation 148

Going global means finding readers; managing editorial; delivering the goods; getting paid in currency you can use.

Single-copy sales picture differs by source 56

If you hear different stories about the health of single-copy sales, check the source. Data confirm that the greater the universe, the better things look.

Lipstein's new partner 41

Seiichi Hasumi, Owen Lipstein's new Japanese partner, leaves no doubt about who controls New America's purse strings. He does, despite the deal not being closed.

TECH TRENDS
Folio:

The electronic dummy A look at three systems that provide distinctive approaches to the process of electronic dummying. 117

McGraw-Hill's desktop publishing center helps the publisher's magazines navigate the waters of changing technology. 111

Focoltone goes after the DTP market as it attempts to make its process color matching system the U.S. standard. 111

QuarkXPress versions for IBM and NeXT products will soon be available. 111

Kodak adds a color calibration program to its Prophecy publishing system. 114

UPDATE

ABP urges members not to jump on the postal hike bandwagon. 42

MPA announces a $1 million advertising campaign. 44

***Essence* tracks readers'** spending habits for advertisers. 46

Murdoch keeps video venture warm on back burner. 53

COLUMNS

The true measure of success, by Ron Scott. 164

Investing in sales training pays off, by Hershel Sarbin. 168

Beware of ad reps tooting their own horns, by Josh Gordon. 173

When can writers record phone conversations? by Slade Metcalf. 183

The 'Re' decade, by David Lott. 187

DEPARTMENTS

Briefings	9
Joe Hanson on Magazines	13
Letters	15
Commentary	29
Feedback	33
Update	41
Magazine People	69
Magazine Watch	81
List Watch	97
Calendar	105
Classified	192
Noteworthy	204

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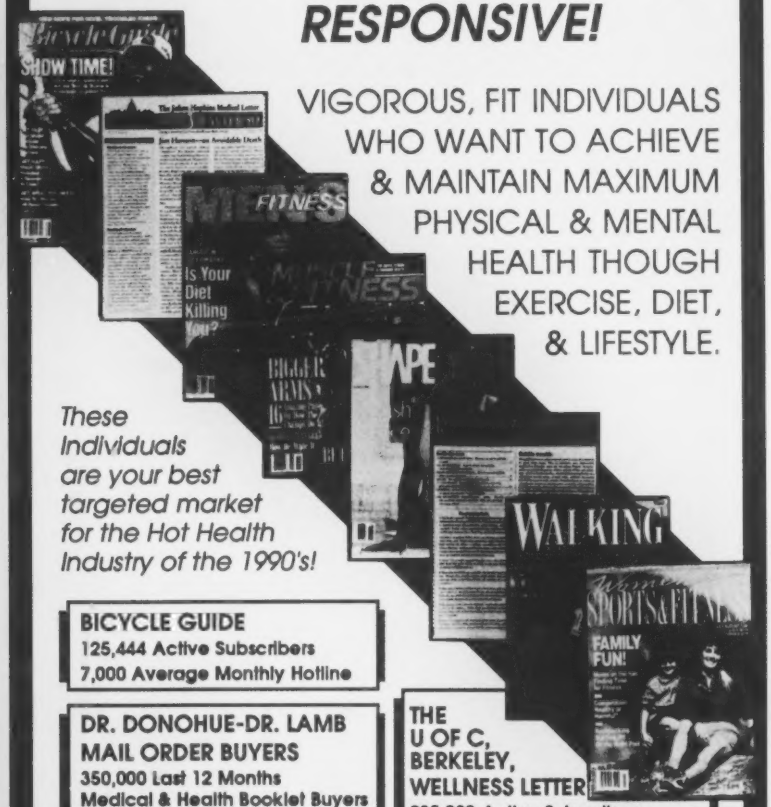

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15,000 Monthly Hotline

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15,000 Monthly Hotline

WEIDER MAIL ORDER PRODUCT BUYERS
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ABP

UPDATE

Single-copy sales picture depends on source

Periodicals Institute's figures show brighter future than ABC's

by Barbara Love and John Masterton

WEST CALDWELL, N.J.—Publishers shudder when they look at recent unit sales performance for single-copy sales produced by the industry's most commonly quoted source—the Audit Bureau of Circulations. But the industry-wide picture is not that grim.

ABC tracks only about 600 of the largest-selling consumer magazines. Many in the business have contended that these ABC figures present a distorted picture of single-copy sales in general. The reason: Many of the unit sales lost by the larger magazines are gained by smaller special interest magazines on the newsstands—and many of these magazines are not audited by ABC.

For the first time, single-copy sales figures from a much larger universe have been compiled by the Periodicals Institute—and they prove the point.

Whereas ABC figures for the top 57 single-copy magazines show unit sales down 7.5 percent, the Periodicals Institute (PI), which measures more than 3,000 magazines, shows unit sales flat at minus .045 percent.

In addition to the ABC-audited titles, PI tracks single-copy sales through independent distributors.

Source comparison of single-copy sales

Source	Units (millions)		% change
	Jan.-June '89	Jan.-June '90	
Periodicals Institute: 3,000 titles	1,330.0	1,325.4	-0.045
ABC: Top 57 single-copy titles	58.3	53.9	-7.5

***The larger the universe** analyzed, the better the single-copy sales picture.*

Tunnel vision?

The ABC newsstand titles tracked account for only 15 to 20 percent of overall newsstand title sales, according to the Institute.

"I'm convinced it's absolutely true that what's happening to the large-selling titles, which everyone watches, is not the case for single-copy sales in general, and our new figures show that," says Jack Fitzmaurice, president of the Periodi-

cals Institute. "When you get beyond the first 60 or 70 titles, you begin to see single-copy sales growth. That's the way the game is going."

Impacting the numbers

Fitzmaurice refers to some of the very largest that impact the total numbers: For the first half of 1990 compared to that of 1989, single-copy unit sales for *Cosmopolitan* were down 7.4 percent, from 2,344,033 per issue to 2,170,997. *People Weekly* unit sales were down 6.1 percent, from 1,801,000 to 1,691,000. And *TV Guide* unit sales for the same period were down 4.7 percent, from 7,323,000 to 6,976,000.

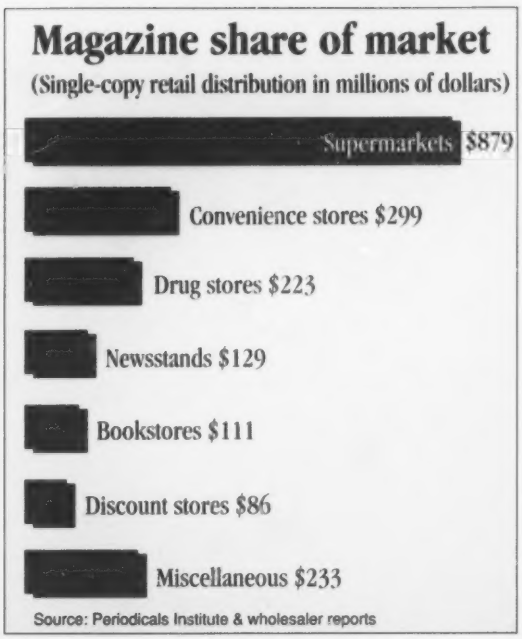
On the other hand, smaller titles like *Entrepreneur* were up. Single-copy sales for this magazine rose 7.8 percent, from 96,937 to 104,497. "That's a dramatic increase for a small, special interest title," says Fitzmaurice.

"New launches are up every year, reflecting more segmentation of reader interests," adds Steve Jacobs, vice president of the Periodicals Institute. "Reader loyalty is declining, but people are more likely to buy a particular issue that reflects a particular interest."

The Institute is now trying to compile information on a regular basis so it can present the industry with figures not now available.

The first report, due soon, will include total circulation on 3,000 magazines, with single-copy compared to total subscription figures.

"Some minor subscription-only titles that are not ABC-audited will not be included, but that's not very many," Fitzmaurice says. □



***Supermarkets are the number one outlet** for single-copy sales, with convenience stores following a distant second.*

nothing to grunt about.

who, according to research, are saving their back issues, reading the current ones seven times or more and tearing out insert cards to give to their friends. Obviously, the company won't know if it's succeeded in culturing big *SI* subscribers until the little *SI for Kids* subscribers grow up.

In the meantime, it appears Time will have to settle for making a profit within three years of launch.

Already, the magazine is doing well in both advertising and circulation. Advertisers, who sign up for a package program, pay $295,000 per year, which entitles them to 10 ad pages, affiliation with *SI for Kids*' literacy program, and value-added and promotional programs. The magazine has already nearly met its goal of signing up 36 advertisers for 1991; it carries a maximum of 360 ad pages per year.

Most of the current circulation of 802,600—up from 678,578 at the end of 1989, its launch year—comes from subscriptions (basic price: $17.95); an additional 250,000 copies are distributed to high-risk students as part of the literacy program.

While Moore declines to release figures, she says that *SI for Kids* is on budget, has a positive cashflow, and is almost breaking even. "I would be very upset if we weren't making a profit by 1992," she adds.

But the hidden weapon here is merchandising. "What's going to push us into profitability is how fast the line extensions are heating up," Moore reveals. *Sports Illustrated for Kids* children's wear is sold at Sears, Roebuck & Company. Bookstores nationwide sell 18 *Sports Illustrated for Kids* books and a calendar.

Several lists were used to generate the subscriber base of the magazine, but there was no particular emphasis on trying to get current *Sports Illustrated* subscribers to purchase the spin-off for their children. In fact, less than 10 percent of *SI for Kids* readers come from homes that also receive *Sports Illustrated*. "We don't know how to cross-promote the books yet," Moore says. "We're going to concentrate on that this year."

Nonprofit versions

Nonprofits were among the first to spin off kids' magazines, but their versions, not surprising, are seen more as extensions of the parent organizations' missions than as revenue sources. Two of the oldest were founded to educate children and promote literacy.

National Geographic World, now 15 years old, does not know how many of its young readers (1.3 million of them worldwide) have or will become *National Geographic* subscribers, but may start tracking that information next year, says editor Pat Robbins. "We hope many of them would become readers of *National Geographic*, but even if they don't, we would like them to go on to read something and be informed about the world," she says.

World is not breaking even and hasn't been for two years; over its history it has been up and down. "It's not a moneymaker, but as a nonprofit group, it's not something we're concerned about," says a spokesman.

Zillions—Consumer Reports for Kids, a ten-year-old title formerly known as *Penny Power*, also is uncertain about how many of its eight- to 14-year-old readers will graduate to *Consumer Reports*. "That was not our intent," says Charlotte Baecher, editor, who also serves as director of education services for Consumers Union. "Ours was much more of an educational objective than one of building *Consumer Reports* subscribers. Our readers outgrow *Zillions* at 14. That's not really an age when they would be getting into *Consumer Reports*."

Who knows what kids want?

But whether for profit or not, producing a successful kids' magazine is far from all fun and games.

"I have the same editorial budget I do for the big *SI*, but *SI for Kids* is much harder to publish than the adult title," says Moore. "If you're an editor on the adult book, you're basically writing for yourself. But as much as we like to think we know what it's like to think like an eleven year old, we don't. You have a very narrow window. You can't be babyish and you can't be too grown up."

Editorial consultant Rita Stollman agrees that serving young readers' needs can be tricky. "Look what happened with the college magazines. We don't know enough about producing magazines for this market, except for very small children."

Despite the difficulties, it doesn't take ESP to predict that, if the new spate of for-profit spin-offs does as well as *SI for Kids*, their numbers will continue to multiply.□

Aviation trade advertising looking up

Upswing in new plane orders, aftermarket products gives heavily segmented market a lift

by John Masterton

NEW YORK CITY—After a long period of being grounded, advertising in aviation business magazines is starting to take off again.

The top 50 advertisers in aviation industry media increased their advertising by more than 8 percent last year, according to Patterson Advertising Reports. And that uptick continued through the first half of 1990.

At this point, the main beneficiaries are a few titles, including *Aviation Equipment Maintenance* (*AEM*), *Flying* and *Commuter Air*, which posted double-digit ad revenue gains last year. In fact, four titles in the middle and lower parts of the market

Although it serves private pilots, Flying *is snagging trade accounts.*

posted double-digit declines. Still, as a group, the 14 aviation titles that Patterson tracks are on the upswing, with a first half 1990 ad revenue gain of 3.1 percent.

Although new plane orders for general aviation have been sour for a few years, aircraft manufacturers are now scrambling to keep up with record orders for new jets. Meanwhile, aftermarket and maintenance sales for existing aircraft are soaring, as large airlines struggle to keep their fleets in tip-top shape while waiting for new planes.

"Aviation has had some tough spots in the last decade," says Randall Mikulecky, director of client services at Sullivan, Higdon & Sink, an ad agency in Wichita, Kansas, with several large aviation accounts. "Now a few key indicators are looking up, and the industry is more positive than it's been in a long time."

Among the many aviation trade titles, no two are exactly alike.

Field heavily segmented

The "aviation trade industry" is in fact a wide-ranging group of niches. "No two titles are quite alike," says Paul Berner, editor of *AEM*, which covers maintenance for airliners, commuter carriers and corporate fleets. *Air Transport World* covers the world's passenger carriers, while *Flying* targets private pilots of four-seaters. Some titles report on the latest in cockpit navigation equipment; others help airport executives plan terminal renovations.

Consequently, a setback in one segment may sometimes mean prosperity in another.

For instance, new small plane sales have been sagging for more than a decade. This hasn't been good news for books relying too heavily on manufacturers such as Piper, Cessna and Beech. But it also means private pilots are keeping aircraft longer and spending more on maintenance at fixed-base operators (FBOs), the aviation equivalent of the general store.

"Because they sell everything from fuel to the latest cockpit bells and whistles, FBOs are now the economic center of the industry," says Mike Murrell, publisher of Johnson Hill Press's Aviation Group, whose bimonthlies include *FBO* and 1989 start-up *Aircraft Technician*.

Still, the pendulum could soon swing back again, according to Ken-

Leading aviation trade titles

By first half 1990 ad revenue

Title	Ad pages Jan.-June 1989	Ad pages Jan.-June 1990	% change	Ad revenue Jan.-June 1989 ($000)	Ad revenue Jan.-June 1990 ($000)	% change
Flying*	303	346	14.5	$4,109	$4,710	14.6
Business & Commercial Aviation	394	380	−3.5	5,003	4,704	−6.0
Air Transport World	535	518	−3.3	2,994	3,204	7.0
AOPA Pilot	345	369	6.9	2,796	2,935	5.0
Aviation Equipment Maintenance	303	344	13.4	1,280	1,602	25.2
Professional Pilot	278	244	−12.1	1,435	1,187	−17.3
Rotor & Wing International	268	212	−21.0	1,269	1,014	−20.1
Aviation International News**	144	154	7.2	829	803	−3.1
Commuter Air	155	161	3.6	611	691	13.1
Airline Executive	124	112	−9.8	664	647	−2.5

* Primarily a consumer title, with some coverage of business aspects of owning and operating airplanes.

** Published six times a year. All other titles are monthly.

Source: Patterson Advertising Reports, Inc.

***Although the aviation field** has seen increases in revenue for the past two years—more than 8 percent last year and 3 percent this year—it still has its ups and downs.* AEM *and* Flying *are high fliers.*

neth Gazzola, executive vice president of McGraw-Hill's Aviation Week Group, publisher of *Business & Commercial Aviation* (*BCA*), *Aviation Week & Space Technology* and other titles. "As aircraft get older, some will get too expensive to overhaul," Gazzola says. "This could help rev up the new plane market again."

Airport management is changing, too. Although airport traffic continues to rise in every plane class, no major new airports have been built since Dallas/Fort Worth International in 1974. This puts enormous pressure on existing facilities, according to Patrick Barry, publisher of *Airport Services Management* (*ASM*). As airport executives order more renovations, new ad markets are opening up, such as building materials, communications equipment and furniture for remodeled terminals.

Government regulations have also been spawning new ad markets. Safety is a primary concern in both general and commercial aviation, and standards change often as new technology becomes available. "A lot of newer equipment requires much more intensive maintenance regimes," explains *AEM*'s Berner.

Dollars are also being spent on recruitment and training ads for flight schools, airlines and corporate aviation departments. Like other industries, aviation is concerned about looming labor shortages: The number of new flying students is up, but only slightly, according to Patricia Luebke, advertising director for *Flying*, a 321,000 circulation consumer title that also addresses some business aspects of owning and operating airplanes. Media buyers say the Diamandis publication has been particularly resourceful in attracting such accounts.

But many aviation publishers say the strongest ad growth is coming from avionics (electronic navigation systems) and training. "Avionics is important to almost every title," says Murrell of Johnson Hill Press.

Storm clouds ahead?

Despite these opportunities, however, aviation publishers face some major challenges. In particular, supplier mergers and buyouts sometimes reduce the pool of media dollars that are available.

"Consolidation is becoming a major factor," states Jim Kleypas, president of San Antonio-based Womack Claypoole Kleypas, an agency with 14 aviation accounts. "In some cases, it may mean lower media budgets."

Moreover, while the field has become more segmented, it may also have become overpopulated. The Aviation & Aerospace section in the July 1990 *Business Publication Rates and Data* features 47 titles. There are also numerous international and little-known regional journals, all vying for attention—and advertising.

Despite the promise of new and expanding ad markets, the field may be overpopulated.

"There's little doubt there'll be a shake-out sooner or later," Kleypas speculates. "There's only so much business to go around."

Indeed, Knight-Ridder start-up *Runways Southern California*, recently halved its frequency due to flagging ad sales. In the wake of a 35 percent first-half drop in ad revenue, *ASM* has cut back from monthly publication to six times a year, effective with the July/August issue. Last year, *AEM* bought out *Aviation Mechanics Journal* and folded the title. And media buyers say regional and international titles come and go like jetliners in the night.

Moreover, recent upstarts are giving older titles a run for their money. "*FBO* and a few association trade organs have made things more competitive," says Berner.

Not surprisingly, such pressure has produced some off-card deals and overly generous frequency discounts. "Most sells are on the card, but there is some 'merchandising' in the market," reports Pam Seuferling, media supervisor at Eidson, Speer, Watson & Dickerson, an agency in Shawnee Mission, Kansas, that specializes in aviation accounts. "Of course, part of our job is finding those buys for the client."□